MIC

Republic of the Union of Myanmar ★ Myanmar Investment Commission ★

Form (2)

Sr. No. 13046

Dated 31.12.2012

The Myanmar Investment Commission

PERMIT

Permit No. 536/ 2012

Date 31st December, 2012

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MS. LIM BEI BEI

(b) Citizenship CANADIAN

(c) Address 2F, NO.12, LANE 73, HEJIANG STREET, ZHONGSHAN DISTRICT, TAIPEI CITY 104 , TAIWAN

(d) Name and Address ALLIANCE HOLDING CORPORATION, ROOM 51, 5th FLOOR, BRITANNIA HOUSE, JALAN CATOR, BANDAR SERI BEGAWAN BS 8811, NEGARA BRUNEI DARUSSALAM

(e) Place of incorporation BRUNEI DARUSSALAM

(f) Type of business in which investment is to be made MANUFACTURING AND MARKETING OF GARMENT ACCESSORIES (ELASTIC WAISTBANDS, DRAWCORDS & STRINGS)

(g) Place(s) at which investment is permitted PLOT NO.19, MYAWADDY MIN GYI STREET, INDUSTRIAL ZONE(4), HLAING THARYAR TOWNSHIP, YANGON REGION

(h) Amount of foreign capital US $ 1.00 MILLION

(i) Period for bringing in foreign capital WITHIN 1 MONTH AFTER MIC APPROVAL

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 1.00 MILLION

(k) Permitted duration of investment 10 YEARS

(l) Name of the economic organization to be formed in Myanmar ALLIANCE TRIMS COMPANY LIMITED

Chairman

The Myanmar Investment Commission

REPUBLIC OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-739/ 2012(13046)
Dated : 31st December, 2012.

Tel:95-067-406334,406075
Fax: 95-67-406333

Subject : **Decision of the Myanmar Investment Commission on the proposal for "Manufacturing and Marketing of Garment Accessories (Elastic Waistbands, Drawcords & Strings)" under the name of "Alliance Trims Company Limited**

Reference: Alliance Trims Company Limited Letter dated (25-10-2012)

1. The Myanmar Investment Commission, at its meeting (38/2012) held on (19-12-2012) had approved the proposal for investment in " Manufacturing and Marketing of Garment Accessories (Elastic Waistbands, Drawcords & Strings)" under the name of " Alliance Trims Company Limited " submitted by Alliance Holding Corporation from Brunei Darussalam as a wholly owned foreign investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VI, Article 13 of the procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 10(Ten) years commencing from the date of signing of the Lease Agreement for land and buildings and extendable for another 5(five) years two terms period by mutual agreement between Daw Khine Wah and Alliance Trims Company Limited. At the end of the Lease Agreement for land and buildings, Alliance Trims Company Limited shall transfer the leased land and immovable properties to the lessor within three months in good condition, ground damages having been refilled or repaired.

4. The annual rent for the land and buildings shall be US $ 22,253 (United States Dollar twenty two thousand, two hundred and fifty-three only) calculated at the rate of US$ 5.50 per square metre per year of land area 4046 square metre (1acre).

5. In issuing this "Permit," the Commission has granted , the followings, exemptions and reliefs as per Section 21(a), (i) and (j) of the Republic of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section 21 shall have to be applied upon the actual performance of the project;

(a) As per section-21(a), exemption from income tax up to 36 (Thirty six) consecutive months starting from the month of commencement of commercial operation.

(b) As per section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made.

(c) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment.

(d) As per section-21(d), relief from income tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance following 3 years tax holiday period.

(e) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per section-21(g), right to deduct from the assessable income such expense incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 3 years tax holidays period.

(h) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

6. Alliance Trims Company Limited shall have to sign the Lease Agreement for land & buildings with Daw Khine Wah. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

7. Alliance Trims Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

8. Alliance Trims Company Limited shall use its best efforts for timely realization of works stated in the proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

9. The commercial date of operation shall be reported to the Commission.

10. Alliance Trims Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

11. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Alliance Trims Company Limited shall have to consult with Directorate of Labour, Ministry of Labour, Employment and Social Security for appointment of such foreign experts and technicians.

12. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provisions under Section-24 of the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency.

13. Whenever Alliance Trims Company Limited brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 12(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

14. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)].

15. Alliance Trims Company Limited shall have the right to conduct account transfer in exchanging foreign currency into Kyat and vice-versa as per para 20 of the Notification No. 40/2011 issued by the Government of the Republic of the Union of Myanmar, dated 30 September 2011.

16. Alliance Trims Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

17. Alliance Trims Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems. In addition, Alliance Trims Company Limited shall responsible to abide by the Myanmar Environmental Conservation law, rules & regulations under the Ministry of Environmental Conservation and Forestry.

18. Alliance Trims Company Limited shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/ 408/ 94(0424) dated 29-6-94 [Annexure (3)] to expedite the clearance of imports of capital and inter-

industry use goods brought in as capital investment and raw materials required during the initial 3 years operation period.

19. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc., shall only be made out of the official foreign exchange earnings of Alliance Trims Company Limited.

20. Alliance Trims Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Article 15 of the procedures relating to the Republic of the Union of Myanmar Foreign Investment Law.

(Soe Thane)
Chairman

Alliance Trims Company Limited

cc:
1. Office of the Government of the Republic of the Union of Myanmar
2. Office of the Yangon Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance and Revenue
5. Ministry of Commerce
6. Ministry of Foreign Affairs
7. Ministry of Home Affairs
8. Ministry of Immigration and Population
9. Ministry of Labour, Employment and Social Security
10. Ministry of Electric Power
11. Ministry of Environmental Conservation and Forestry
12. Director General, Directorate of Investment and Company Administration
13. Director General, Department of Human Settlements & Housing Development
14. Director General, Directorate of Industrial Supervision and Inspection
15. Director General, Customs Department
16. Director General, Internal Revenue Department
17. Managing Director, Myanma Foreign Trade Bank
18. Managing Director, Myanma Investment and Commercial Bank

19. Managing Director, Myanma Insurance
20. Managing Director, Myanma Electric Power Enterprise
21. Director General, Directorate of Trade
22. Director General, Immigration and National Registration Department
23. Director General, Directorate of Labour
24. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)